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4 MAY 1972

MEMORANDUM FOR: The Honorable Henry A. Kissinger
 Assistant to the President
 for National Security Affairs

SUBJECT: Report on Implementation of President's
 Reorganization of Intelligence Community

REFERENCE: Your Memorandum of 13 April 1972

1. Since my first, 30-day, progress report to the President of 5 December last, I have been concentrating on the following areas in connection with the President's original charge to me concerning the intelligence community:

a. Build-up and reorganization of personal staff to get the essential work done;

b. After the initial meeting of the National Security Council Intelligence Committee (NSCIC), to launch its working group and begin a program to focus upon improving the intelligence process and product;

c. To organize the Intelligence Resources Advisory Committee (IRAC) and establish an IRAC working group to assist and advise me in the preparation of the consolidated intelligence program budget;

d. To establish the necessary procedures with the balance of the intelligence community to obtain the information I need to carry out the President's directive.

2. Let me give you a more detailed account of what has been involved in the four areas listed above:

a. Although the process is not entirely complete, I am satisfied that I have now restructured my personal

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staff to provide the necessary support. Some attention has been given to getting fresh blood into it, and diversifying its capabilities by adding qualified people from CIA, DIA and NSA. The Community Comptroller Group, for example, which has the main responsibility for supporting me in the preparation of the consolidated program budget, is headed up by the former Director of Planning, Programming and Budgeting of CIA and he is assisted by the former DIA Comptroller and the former Chief of Staff at DIA. A senior officer from NSA on loan from Admiral Gayler also has been added. This staff as a whole, organized as I outlined in my progress report to the President of 5 December last, is now in a position to assist me in the various tasks set forth in the 5 November directive. With few exceptions, additional people will be added only as I see the work load absolutely requires it. The staff includes individuals whose primary responsibility is to maintain contact throughout the community with individual program managers and their staffs and to participate on a fairly intimate basis in their planning and budgetary reviews and cycles.

b. After the initial meeting of the NSCIC, a working group was set up, chaired by my representative as you requested, my deputy for intelligence community affairs. This group, as you know, has now met several times and is drawing up a work program designed to improve the intelligence product and to provide guidance and comment on the production process of the community. As a result, a series of studies has already been produced providing an inventory of activities in the community in various substantive areas. These have included narcotics, economic reporting, the community's production resources and others. These are intended to assist the working group in deciding what studies need to be undertaken. Studies are under way on the community's performance during the recent Indo-Pakistan crisis and on the intelligence annexes to the National Security Study Memoranda, and preliminary work is being done on a study of regular intelligence publications, their need, quality, duplication, etc. In view of the objectives of NSCIC, the working group has been established and is being maintained at quite a senior level. Membership includes the head of the Net Assessment Group of your staff; the Assistant Secretary of Defense for Intelligence; a representative of the Under Secretary of State's office;

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a representative of the Attorney General; the Director, J-5 (Plans and Policy) of the JCS representing the Joint Chiefs of Staff; the Director, DIA; the Director of Intelligence and Research at the Department of State; the Chairman of the Board of National Estimates and the Deputy Directors for Intelligence, and Science and Technology of CIA.

c. After an organizational meeting of the Intelligence Resources Advisory Committee, a working group was set up chaired by my representative, the chief of my Community Comptroller Group. A program is being developed by the working group to identify major issues in the intelligence community, whose solution will have important impact on national intelligence program resources (money and manpower) and on substantive product. The aim, for now, is to identify issues whose solution can affect the preparation of the FY 1974 consolidated program budget and also for immediately succeeding years. A series of issues are now under study under various community auspices and they include the review of various aspects of the world-wide atomic energy detection system, programs and sensors devoted to missile re-entry, peripheral air reconnaissance, reconnaissance drones, warning systems, deep space collection and others.

d. An essential preliminary step to increased involvement in supervision of the community has been the setting up of procedures and the arrival at understandings with the other members of the community. As I find it will be essential for me and my staff to follow closely the planning, programming and budgetary cycles of all the programs in the national effort, I have concentrated on participating in these and identifying the information needed to formulate judgments on the program as a whole. I see this as being an evolutionary process for quite a considerable period, as we all learn from experience what will work, what is essential and what is superfluous. There is no quick way of achieving this and my concern is that the experimental period also produce results. As you might imagine, much of this has to do with working out arrangements with the Department of Defense, specifically with the Assistant Secretary for Intelligence. We have already come a good way but it will take at least the passage of a full annual programming and budgetary cycle before we can evaluate the result. Another aspect of this is my appearance before the appropriate sub-

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committees of the Senate and the House to explain and defend the national intelligence program for FY 1973. I have prepared a presentation which relates intelligence substance and product to the whole program, and which explains how the individual pieces combine to produce the necessary intelligence and how they must be interrelated. I shall be appearing before Senator Ellender on 5 May but the date for my presentation before Chairman Mahon has not yet been fixed.

3. Insofar as I can look forward over the next six months, I anticipate my emphasis will be on refinement of what is presently being done. In the field of resources, I am anxious to see how the studies now under way come out and what lessons can be learned from them. I am very conscious of the fact that the study of major issues, involving large expenditures and sizable manpower, takes time to complete and requires experienced and qualified people to work on. Because of this necessarily heavy investment in time and valuable manpower, I am continually seeking ways to achieve comparable results, in which both I and the community can have confidence, on a more economical and timely basis. It is too early to say how successful this effort will be but I am convinced we must move in this direction if we are to develop an effective and continual system of cross program analysis. In the area of intelligence product improvement, the NSCIC working group will continue its present efforts, with particular emphasis on devising means, for your consideration, by which senior consumers of intelligence at the policy level can provide the community with the type of guidance and comment it needs before it undertakes any substantial revision of the product. There is still much experimental work to be done in this area and if we come up with ideas, I shall be grateful for your views and assistance. Finally, and as I reported earlier in this paper, I believe the restructuring of my personal staff has largely been completed. I would merely emphasize that my views on the makeup of the staff remain flexible and I am quite prepared to modify it as need and experience seem to dictate.

Richard Helms

Richard Helms

cc: Director,
Office of Management and Budget
Chairman,
President's Foreign Intelligence Advisory Board

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MEMORANDUM FOR: The Honorable Henry A. Kissinger
FROM: Director of Central Intelligence

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